

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

S

W-03576A

Santa Cruz Water Company

~~426 North 44th Street, Suite 200~~

~~Phoenix AZ 85008~~

22601 N. 19th Ave, Ste 210

Phoenix, AZ 85027

APR 15 2005

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2004
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FOR COMMISSION USE

ANN04	04
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## COMPANY INFORMATION

Company Name (Business Name) <u>SANTA CRUZ WATER COMPANY</u>		
Mailing Address <u>22601 N. 19th Ave Ste 210</u>		
<u>Phoenix</u> (City)	<u>AZ</u> (State)	<u>85027</u> (Zip)
<u>623-580-9600</u> Telephone No. (Include Area Code)	<u>623-580-9659</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>SAME</u>		
 (City)	 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address _____		

## MANAGEMENT INFORMATION

Management Contact: <u>CINDY LILES</u>		<u>VP + CFO</u>
(Name)		(Title)
<u>22601 N. 19th Ave Ste 210</u>	<u>Phoenix AZ</u>	<u>85027</u>
(Street)	(City)	(State) (Zip)
<u>623-580-9600</u>	<u>623-580-9659</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>cindy.liles@gwresources.com</u>		
On Site Manager: <u>Graham Symmonds</u>		
(Name)		
<u>22601 N. 19th Ave Ste 210</u>	<u>Phoenix AZ</u>	<u>85027</u>
(Street)	(City)	(State) (Zip)
<u>623-580-9600</u>	<u>623-580-9659</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>graham.symmonds@gwresources.com</u>		

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Roshka Heyman + DeWulf  
(Name)

400 E. Van Buren Ste 800 Phoenix Az 85004  
(Street) (City) (State) (Zip)

602-256-6100 602-256-6800  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** Roshka Heyman + DeWulf  
(Name)

400 E. Van Buren Ste 800 Phoenix Az 85004  
(Street) (City) (State) (Zip)

602-256-6100 602-256-6800  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |   |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S)    | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                     |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                            |
| <input type="checkbox"/> Receivership (R)       | <input checked="" type="checkbox"/> Limited Liability Company             |
| <input type="checkbox"/> Other (Describe) _____ |   |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |                                   |   |
|-------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO         |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE         |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE           |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA     | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA             |
| <input type="checkbox"/> STATEWIDE  |                                   |   |

**Santa Cruz Water Company**

**PLANT IN SERVICE**

<b>Acct. No.</b>	<b>Description</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization	\$ 88,723	\$ -	\$ 88,723
302	Franchises			
303	Land and Land Rights	13,490	-	13,490
304	Structures and Improvements	396,820	(33,225)	363,595
307	Wells and Springs	428,870	(31,107)	397,763
309	Supply Mains	760,071	(20,010)	740,061
311	Pumping Equipment	588,247	(64,875)	523,372
320	Water Treatment Equip.	9,471	(1,143)	8,328
330	Dist. Reservoirs & Standpipes	665,812	(51,838)	613,974
331	Transmission & Dist. Mains	4,734,522	(225,880)	4,508,642
333	Services	592,144	(29,390)	562,754
334	Meters and Meter Installations	678,885	(18,126)	660,759
335	Hydrants	683,326	(24,979)	658,347
336	Backflow Prevention Devices	20,366	(679)	19,687
339	Other Plant and Misc. Equipment	27,350	(1,595)	25,755
340	Office Furniture and Equipment	167,305	(13,374)	153,931
341	Transportation Equipment	50,473	(5,047)	45,426
343	Tools, Shop and Garage Equipment	6,722	(118)	6,604
344	Laboratory Equipment	3,998	(194)	3,804
345	Power Operated Equip.			
346	Communication Equip.	19,235	(1,346)	17,889
347	Misc. Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>\$ 9,935,830</b>	<b>\$ (522,926)</b>	<b>\$ 9,412,904</b>

This amount goes on the Balance Sheet Acct. No. 108

**Santa Cruz Water Company**

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>Description</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)*</b>
301	Organization	\$ 88,723		\$ -
302	Franchises	0		
303	Land and Land Rights	13,490		
304	Structures and Improvements	396,820	2.9%	11,306
307	Wells and Springs	428,870	4.0%	15,773
309	Supply Mains	760,071	3.3%	15,370
311	Pumping Equipment	588,247	3.3%	26,656
320	Water Treatment Equip.	9,471	5.0%	436
330	Dist. Reservoirs & Standpipes	665,812	3.5%	23,203
331	Transmission & Dist. Mains	4,734,522	3.3%	121,802
333	Services	592,144	3.6%	15,416
334	Meters and Meter Installations	678,885	3.6%	13,842
335	Hydrants	683,326	3.0%	14,459
336	Backflow Prevention Devices	20,366	6.7%	679
339	Other Plant and Misc. Equipment	27,350	3.3%	954
340	Office Furniture and Equipment	167,305	6.8%	10,670
341	Transportation Equipment	50,473	20.0%	5,047
343	Tools, Shop and Garage Equipment	6,722	6.3%	118
344	Laboratory Equipment	3,998	5.0%	194
345	Power Operated Equip.	0		
346	Communication Equip.	19,235	10.0%	1,346
347	Misc. Equipment	0		
348	Other Tangible Plant	0		
	<b>TOTALS</b>	<b>\$ 9,935,830</b>		<b>\$ 277,271</b>

\* Column includes mid-year convention for new additions

This amount goes on the Comparative Statement if Income and Expense Acct. 403

Santa Cruz Water Company

**BALANCE SHEET**

Acct. No.	Assets	Balance at Beginning of Year	Balance at End of Year
	<b>Current and Accrued Assets</b>		
131	Cash	\$ 473,683	\$ 1,917
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	119,714	154,380
146	Notes/Receivables from Assoc. Companies	8,351	112,116
151	Plant Material and Supplies		
162	Prepayments		
174	Misc. Current and Accrued Assets	101,210	41,631
	<b>Total Current and Accrued Assets</b>	\$ 702,958	\$ 310,044
	<b>Fixed Assets</b>	\$	\$
101	Utility Plant in Service	5,953,702	9,935,832
103	Property held for Future Use		
105	Construction Work in Progress	1,445,427	1,141,027
108	Accumulated Depreciation – Utility Plant	(196,233)	-522,925
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>Total Fixed Assets</b>	\$7,202,896	\$10,553,934
	<b>Total Assets</b>	<b>\$7,905,854</b>	<b>\$10,863,978</b>

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

**Santa Cruz Water Company**

**BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>	<b>Liabilities</b>	<b>Balance at Beginning of</b>	<b>Balance at End of Year</b>
	<b>Current Liabilities</b>		
231	Accounts Payable	291483	358,430
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Assoc. Companies		
235	Customer Deposits/Prepays	159807	348,053
236	Accrued Taxes	6245	
237	Accrued Interest	358	
241	Misc. Current and Accrued Liabilities	805386	138,109
	<b>Total Current Liabilities</b>	<b>\$ 1,263,279</b>	<b>\$ 844,592</b>
	<b>Long Term Debt (Over 12 months)</b>		
224	Long-Term Notes and Bonds	\$ -	\$ -
	<b>Deferred Credits</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	2,121,895	4,925,758
255	Accumulated Deferred Investment of Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>Total Deferred Credits</b>	<b>\$ 2,121,895</b>	<b>\$ 4,925,758</b>
	<b>Total Liabilities</b>	<b>\$ 3,385,174</b>	<b>\$ 5,770,350</b>
	<b>Capital Accounts</b>		
201	Common Stock Issued	\$ 3,939,476	\$ 3,572,944
211	Paid in Capital in Excess of Par Value		
215	Current and Retained Earnings	581,204	1,520,684
218	Proprietary Capital (Sole Props & Partnerships)		
	<b>Total Capital</b>	<b>\$ 4,520,680</b>	<b>\$ 5,093,628</b>
	<b>Total Liabilities and Capital</b>	<b>\$ 7,905,854</b>	<b>\$ 10,863,978</b>

Santa Cruz Water Company

**COMPARITIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	Operating Revenues	Prior Year	Current Year
461	Metered Water Revenue	\$ 972,971	\$ 1,890,337
460	Unmetered Water Revenue		
474	Other Water Revenues	106,395	147,961
	<b>TOTAL REVENUES</b>	\$ 1,079,366	\$ 2,038,298
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$ 181,212	\$ -
610	Purchased Water		31,250
615	Purchased Power	86,111	103,053
618	Chemicals	2,320	3,900
620	Repairs and Maintenance	59,990	21,541
621	Office Supplies and Expense	26,600	19,395
630	Outside Services	108,297	291,356
635	Water Testing		8,020
641	Rents	25,136	20,500
650	Transportation Expenses	1,268	2,754
657	Insurance – General Liability	22,432	9,166
659	Insurance – Health and Life	11,332	
666	Regulatory Commission Expense – Rate Case		
675	Misc. Expense	31,584	33,130
	Permits and Fees		17,195
	Administrative and General		14,345
403	Depreciation Expense	157,658	277,271
408	Taxes Other than Income		
408.11	Property Taxes	26,011	20,325
409	Income Tax		
	<b>Total Operating Expenses</b>	739,951	873,201
	<b>Operating Income/(Loss)</b>	\$ 339,415	\$ 1,165,097
	<b>Other Income Expense</b>		
419	Interest and Dividend Income	63	\$ 522
421	Non-Utility Income	2,306	1,936
426	Misc. Non-Utility Expenses		
427	Interest Expense		
	<b>Total Other Income/Expense</b>	2,369	\$ 2,458
	<b>Net Income/(Loss)</b>	\$ 341,784	\$ 1,167,555



# Santa Cruz Water Company

## **SUPPLEMENTAL FINANCIAL DATA**

## Long-Term Debt

	<b>Loan #1-4</b>
Date Issued	N/A
Source of Loan	
ACC Decision No.	
Reason for Loan	
Dollar Amount Issued	\$
Amount Outstanding	\$
Date of Maturity	
Interest Rate	%
Current Year Interest	\$
Current Year Principal	\$

<b>Meter Deposit Balance at Year End</b>	<b>\$</b>	<b>69,750</b>
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<b>Meter Deposits Refunded During the Year</b>	<b>\$</b>	<b>16,000</b>
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<b>COMPANY NAME: SANTA CRUZ WATER COMPANY</b>
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**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (GPM)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-612737	100	950	1000	20	8	1972
55-617336	250	2000	800	20	10	1973
55-621410	100	1000	400	20	10	1955
55-621408	350	2000	1000	12	10	1955
55-621407	350	2000	700	12	10	1955
55-621406	400	2000	1000	12	10	1955
55-801069	200	1280	Unk	12	10	N/A

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
40	4	317	0
75	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1,500,000	2	10,000	2

**COMPANY NAME: SANTA CRUZ WATER COMPANY**

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
6	PVC	11764
8	PVC	105565
10	PVC	1471
12	PVC	40421
16	PVC	18960
20	PVC	10200
2	PVC	11340
6	DIP	177
8	DIP	40
12	DIP	983
16	DIP	990

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 x 3/4	1067
3/4"	2943
1"	3
1 1/2"	7
2"	40
Comp. 3	1
Turbo 3	
Comp 4	
Turbo 4	
Comp 6	
Turbo 6	

For the following three items, list the Utility-owned assets in each category.

**TREATMENT EQUIPMENT:**

Chlorine Injection System (duplex)

**STRUCTURES:**

Mobile Mini Trailer  
Masonry Brick Walls (Vance Well, WTP)

**OTHER:**

SCADA Communications System  
VFDs for Booster Pumps 5 & 6  
4 x 500 GPM Booster Pumps  
2 x 1000 GPM Booster Pumps  
Switchgear for Distribution System & Well Sites  
1 x 600 kW Emergency D/G  
1 x 3/4 Ton Vehicle – Service Body  
1 x 1/2 Ton Pick-up Truck

**COMPANY NAME: SANTA CRUZ WATER COMPANY**

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004**

<b>MONTH</b>	<b>NUMBER OF CUSTOMERS*</b>	<b>GALLONS SOLD (Thousands)§</b>	<b>GALLONS PUMPED (Thousands)</b>
January	1712	33,761	40,742
February	1875	14,116	31,388
March	2073	31,917	33,693
April	2219	35,752	57,078
May	2504	57,120	83,174
June	2710	50,195	91,125
July	2889	39,899	94,867
August	3189	170,854	100,039
September	3365	138,305	77,945
October	3585	37,256	58,667
November	3866	79,916	41,261
December	4105	29,619	33,976
<b>TOTAL</b>		<b>718,710</b>	<b>743,955β</b>

\*Includes all active customers in database: residential, builder, commercial, HOA/Irrigation, Construction Water

§ Represents TOTAL water billed SCWC (includes residential use, construction/grading, lake filling etc).

β Represents TOTAL water pumped. Includes 648,500 gallons that was discharged to irrigation ditches to test Neely Wells (unbillable flow).

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( X ) Yes                      ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( X ) Yes                      ( ) No

If yes, provide the GPCPD amount:                      125

What is the level of arsenic for each well on your system.                      mg/L  
(If more than one well, please list each separately)

<b>ADWR #</b>	<b>Name</b>	<b>Average As, mg/L</b>
55-612737	Smith	0.00978
55-617336	Vance	0.00696
55-621410	Porter	Not used for potable supply
55-801069	Cobblestone	Not used for potable supply

**COMPANY NAME: SANTA CRUZ WATER COMPANY**

<b>ADWR #</b>	<b>Name</b>	<b>Average As, mg/L</b>
55-621407	Neely West	SCWC acquired title to well in 2004. To be rehabilitated 2005.
55-621408	Neely East	SCWC acquired title to well in 2004. To be rehabilitated 2005.
55-621406	Neely North	SCWC acquired title to well in 2004. To be rehabilitated 2005.

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME SANTA CRUZ WATER COMPANY YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported

Estimated or Actual Federal Tax Liability

\$0 ; uc

State Taxable Income Reported

Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

Amount of Gross-Up Tax Collected

Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Cindy Liles  
SIGNATURE

4-14-05  
DATE

CINDY LILES  
PRINTED NAME

VP + CFO  
TITLE

COMPANY NAME SANTA CRUZ WATER COMPANY YEAR ENDING 12/31/2004

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 11,918,78

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

APR 15 2005

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>MARICOPA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>CINDY LILES, VP + CFO</u>
COMPANY NAME	<u>SANTA CRUZ WATER COMPANY</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2004</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 2,216,008

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 177,710\*  
IN SALES TAXES BILLED, OR COLLECTED)

\* TPT + Regulatory

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Cindy Liles  
SIGNATURE OF OWNER OR OFFICIAL  
623-580-9600  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

Christine Amaro

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14<sup>th</sup> DAY OF

COUNTY NAME	<u>Maricopa</u>
MONTH	<u>April</u> , 200 <u>5</u>

OFFICIAL SEAL  
CHRISTINE AMARO  
NOTARY PUBLIC - State of Arizona  
(SEAL) MARICOPA COUNTY  
My Comm. Expires Sept. 18, 2006

MY COMMISSION EXPIRES 9/18/06

Christine Amaro  
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

APR 15 2005

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>MARICOPA COUNTY</u>	
NAME (OWNER OR OFFICIAL) <u>CINDY LILES</u>	TITLE <u>VP + CEO</u>
COMPANY NAME <u>SANTA CRUZ WATER COMPANY</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2004</u>

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**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 1,036,000

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 81,950 \*  
IN SALES TAXES BILLED, OR COLLECTED  
TPT + Regulatory

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X Cindy Liles  
SIGNATURE OF OWNER OR OFFICIAL  
623-580-9600  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

4<sup>th</sup>

DAY OF

NOTARY PUBLIC NAME	<u>Christine Amaro</u>
COUNTY NAME	<u>Maricopa</u>
MONTH	<u>April</u>
	<u>2005</u>

OFFICIAL SEAL  
CHRISTINE AMARO  
NOTARY PUBLIC - State of Arizona  
MARICOPA COUNTY  
My Comm. Expires Sept. 18, 2006  
MY COMMISSION EXPIRES 9/18/06

X Christine Amaro  
SIGNATURE OF NOTARY PUBLIC

## **FINANCIAL INFORMATION**

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

7:04 PM  
04/14/05  
Accrual Basis

# Santa Cruz Water Company, L.L.C.

## Balance Sheet

As of December 31, 2004

	Dec 31, 04
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
National Bank of Arizona	-284.66
Petty Cash - Administration	1,416.95
Petty Cash - Operations	499.92
Wells Fargo Bank - checking	-80,922.21
<b>Total Checking/Savings</b>	-79,290.00
<b>Other Current Assets</b>	
Accounts Receivable per VA	154,380.21
Accrued Revenues	24,319.33
Intercompany	718,069.46
Other Receivables	6,196.56
Prepaid Expense	3,561.82
Prepaid Insurance	7,552.98
<b>Total Other Current Assets</b>	914,080.36
<b>Total Current Assets</b>	834,790.36
<b>Fixed Assets</b>	
Fixed Asset Under Construction	1,141,026.58
Utility Plant in Service	9,935,832.04
Utility Plant in Svc - Acc Depr	-522,925.02
<b>Total Fixed Assets</b>	10,553,933.60
<b>TOTAL ASSETS</b>	<b>11,388,723.96</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	277,222.93
<b>Total Accounts Payable</b>	277,222.93
<b>Other Current Liabilities</b>	
Accrued Liabilities	1,519.00
Accrued Taxes	-10.89
Customer Pre-pays - VA	219,273.52
Deposits	128,779.45
Other Liabilities	136,600.87
<b>Total Other Current Liabilities</b>	486,161.95
<b>Total Current Liabilities</b>	763,384.88
<b>Long Term Liabilities</b>	
Line Ext Agrmts-Kroger (Fry's)	7,500.00
Line Ext Agrmts-Province	832,850.00
Line Ext Agrmts-Villages	661,644.03
Line Ext Agrmts - Cobblestone F	91,110.00
Line Ext Agrmts - Kimco DeRito	9,690.00
Line Ext Agrmts - Rancho El Dor	3,020,331.59
Line Ext. Agrmts-Acacia Crossin	302,620.00
Property of Others	11.91
<b>Total Long Term Liabilities</b>	4,925,757.53
<b>Total Liabilities</b>	5,689,142.41
<b>Equity</b>	
Equity	4,178,897.02
Retained Earnings	353,129.46
Net Income	1,167,555.07
<b>Total Equity</b>	5,699,581.55
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>11,388,723.96</b>

7:04 PM  
04/14/05  
Accrual Basis

**Santa Cruz Water Company, L.L.C.**  
**Profit & Loss**  
**January through December 2004**

	<u>Jan - Dec 04</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Meter Application Income	106,985.00
Meter Purchase Revenue	40,525.81
Miscellaneous Service Revenue	450.00
Water Usage Income	1,890,337.49
<b>Total Income</b>	<u>2,038,298.30</u>
<b>Expense</b>	
Advertising	172.50
Answering Service	232.68
Automobile Expense	2,753.67
Bad Debt Expense	21,537.91
Bank Service Charges	6,016.82
Cash over/short	-3.54
Certification	155.00
Computer	1,753.80
Contract Services	169,325.00
Copier Lease	2,345.64
Cost of Meter Sales	631.88
Customer Relations	201.29
Depreciation Expense	277,270.84
Dues and Subscriptions	389.70
Education	134.50
Electric	103,053.07
Equipment Repair & Maintenance	33.38
Fees & Permits	14.00
Fuel for Power Production	294.28
Insurance	15,808.87
Interest Expense	1,312.99
Internet and email	2,086.75
Legal	907.00
Maintenance	33,460.99
Miscellaneous	-1,195.87
Office snacks and water	590.79
Office supplies	5,932.66
Payroll Expenses	488.39
Permits & Fees	17,180.86
Personnel	74,343.58
Postage and Delivery	2,650.83
Postage Machine Lease	1,272.07
Property Taxes	20,325.42
Regulatory Expense	2,443.60
Rent	10,500.00
Tax preparation	9,241.61
Telephone	3,550.68
Travel & Ent	1,073.43
Type II Water Right	2,752.75
Utilities	354.94
Water Rights Expense	31,250.00
Water System Consulting Service	50,556.25
<b>Total Expense</b>	<u>873,201.01</u>
<b>Net Ordinary Income</b>	<u>1,165,097.29</u>
<b>Other Income/Expense</b>	
Other Income	
Interest Income	521.62
Other Income	1,936.16
<b>Total Other Income</b>	<u>2,457.78</u>
<b>Net Other Income</b>	<u>2,457.78</u>
<b>Net Income</b>	<u><u>1,167,555.07</u></u>

Pinal County Treasurer - Searching Results Listing - Microsoft Internet Explorer

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Address http://apps.co.pinal.az.us/Treasurer/Search/TBSearchDetails.asp?par=9292201903 Go

**Pinal County Treasurer**

Choose a destination below  
Treasurer's Office Website

**Treasurer Search - Parcel Details** Back To List New Search

The Parcel Number shows the following information:

Parcel Number: 929-22-01903	Name: SANTA CRUZ WATER COMPANY, LLC
Legal Information:	Attn: CINDY LILES/VICE PRESIDENT & CFO
TOTAL VALUE OF OPERATING PROPERTY	Address: 22601 N 19TH AVENUE, SUITE 210
	City: PHOENIX
	State: AZ
	Zip: 85027

Last Updated: 04/13/2005 Interest Calculated Through: 04/30/2005

Year	1st 1/2 Billed 2nd 1/2 Billed	1st 1/2 Paid 2nd 1/2 Paid	1st 1/2 Int 2nd 1/2 Int	1st 1/2 Due 2nd 1/2 Due	Total Due
2003	\$1,689.69 \$1,689.69	\$1,689.69 \$1,689.69			\$0.00
	Value:	\$66,000.00			
2004	\$10,096.33 \$10,096.33	\$10,096.33 \$10,096.33			\$0.00
	Value:	\$439,000.00			
<b>TOTAL DUE:</b>					<b>\$0.00</b>

Click on the current year above for a list of specific tax information for this parcel.

New Search Back To List

Done Internet

**Santa Cruz Water Company**  
22601 N. 19th Avenue Suite 210  
Phoenix, AZ 85027  
(623) 580-9600

WELLS FARGO BANK  
NATIONAL ASSOCIATION  
SANTA ROSA, CA 95409  
11-24/1210

2122

10/26/2004

PAY TO THE ORDER OF Pinal County Treasurer

\$ \*\*10,098.33

Ten Thousand Ninety-Eight and 33/100\*\*\*\*\*

DOLLARS  

Pinal County Treasurer's Office  
P O Box 729  
Florence, AZ 85232-0729

**COPY NOT NEGOTIABLE**

MEMO 512-02-00703

⑈002122⑈ ⑆121000248⑆4100070671⑈

Santa Cruz Water Company

Pinal County Treasurer

10/26/2004

2122

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
10/25/2004	Bill	929-22-01903 Nov1	10,098.33	10,098.33		10,098.33
				Check Amount		10,098.33

Wells Fargo Bank - checki 512-02-00703

10,098.33

Santa Cruz Water Company

2122

Pinal County Treasurer

10/26/2004

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
10/25/2004	Bill	929-22-01903 Nov1	10,098.33	10,098.33		10,098.33
				Check Amount		10,098.33

Wells Fargo Bank - checki 512-02-00703

10,098.33

# Pinal County Treasurer TAX RECEIPT

PO Box 729

Florence, AZ 85232-0729

Phone: (520) 866-6412 Fax: (520) 868-9007

www.co.pinal.az.us/treasurer e-mail: treasurer@co.pinal.az.us

Paid By: SANTA CRUZ WATER COMPANY

22601 N 19TH AVE STE210  
PHOENIX, AZ 85027

MAIL Batch: 2137302

Payment Date: 10/26/2004

Interest Date: 10/26/2004

Printed By: TRSCAS

Parcel Number	Description	Amt Pd	Balance Due	If Paid By
512-02-00703	2004 Taxes	80.56		
	Paid	80.56	.00	
	<b>Total Paid</b>	<u>80.56</u>		
TRACT GG OF RANCHO EL DORADO PLANNED AREA DEVELOPMENT LOCATED IN CABINET C SLIDE 172 SEC 14-4S-3E 2.58 AC -----				

# Pinal County Treasurer TAX RECEIPT

PO Box 729

Florence, AZ 85232-0729

Phone: (520) 866-6412 Fax: (520) 868-9007

www.co.pinal.az.us/treasurer

e-mail: treasurer@co.pinal.az.us

**RECEIVED**

APR 27 2004

Paid By: SANTA CRUZ WATER COMPANY LLC

426 N 44TH ST 200  
PHOENIX, AZ 85008

CNTR Batch: 2113188

Payment Date: 4/20/2004

Interest Date: 4/20/2004

Printed By: TRSLBM

Parcel Number	Description	Amt Pd	Balance Due	If Paid By
T02-00-28001 2003	Taxes	50.20		
	Paid	50.20	.00	
	<b>Total Paid</b>	<u>50.20</u>		
1991 CAVCO	46NCA322XM6000457			
43750 W SMITH ENKE RD	UNIT #101611			
929-22-01903 2003	Taxes	1,689.69		
	Paid	1,689.69	.00	
	<b>Total Paid</b>	<u>1,689.69</u>		
TOTAL VALUE OF OPERATING PROPERTY				